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McD plots rebound from soft sales

(NRN Photos)

Above, McDonald's Fred Turner (left), Mike Quinlan (center) and Jack Greenberg chat with press after meeting.

Right, McDonald's founder Ray Kroc (sitting) greets admirers after the chain's annual stockholder meeting.

Execs reveal strategic plan

By Charles Bernstein

OAK BROOK, Ill.—Conceding that McDonald's sales have been soft over the last six months "for unknown reasons," chairman and ceo Fred Turner told over 1,000 stockholders at the annual meeting here that McD is confident of a quick recovery, a record 1980's growth and a $2 million average annual unit volume (up 65% from current levels) by 1990.

"Burger King's advertising campaign (claiming the Whopper beat the Big Mac) was a little irritating and personally caused me some sleepless nights," Turner acknowledged in answer to a stockholder's inevitable question, "But I doubt that their campaign has hurt our sales. Anyone who knows cooking knows that we grill everything, and that it's actually a better product."

McD is unveiling a blockbuster campaign of its own, emphasizing price/value and quality. Breakfast values include a 99¢ Egg McMuffin, 79¢ scrambled eggs and 69¢ hot cakes; a 99¢ Big Mac is being promoted.

A leading British personality will appear in a national TV campaign to highlight an ultra-sophisticated message that McD burgers are absolute top-quality and that the chain doesn't serve anything resembling "junk food."

(The apparent fact that McD's and Wendy's customer counts have been flat while Burger King's and Jack-in-the-Box have soared at least 10% could indicate a shift in the power balance. But McD is coming from a much higher base of $1.2 million average unit volume, and BK is coming from its exceptionally flat situaton of a year ago.)

After the meeting, Turner declined to answer a question from this editor on how he felt about the apparent traffic declines and what he would do about it. He explained that there was no point in tipping his strategy to competitors but said that "I'll stand by whatever I said during the stockholder meeting."

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NRA launching massive effort to amend tip reporting

By Charles Bernstein

CHICAGO—The National Restaurant Association has decided that repeal of the new controversial tip reporting law is unnecessary, and that all efforts should be geared to enacting key amendments.

"It's a law we can live with—if more reasonable reporting requirements can be substituted for the 8% allocation provisions and other inequities can be changed," new NRA chairman and president Joe Lee told this editor in response to a query on why the NRA was no longer trying to defeat tip credit reporting completely. (See related story, page 93.)

Robert Neville, NRA staff chief, affirmed at the legislative press conference during the NRA Show that "yes, we most definitely did defeat the bill on the Senate floor last summer" (until Sen. Robert Dole threatened meal-entertainment tax deductions changes).

Emphasizing that the NRA staff will draft plans for "a massive grassroots effort which will ensure the passage of desired amendments," Lee declared that "if food-service employees, restaurant owners and operators and customers speak out, Congress will listen."

He warned that the NRA board "is committed to eliminating the injustices created by the current tip reporting requirements" although it would prefer to "work with our legislators and the IRS rather than cause a legislative battle."

In an apparent direct reference to Dole's entertainment—meal tax deduction threat of last year, Lee noted that "the struggle to amend this law could bring reprisals. In recent times, many citizens seeking the defeat or repeal of harmful laws have been threatened with even more destructive legislation."

The NRA believes that "this kind of reprisal is a threat to the right of all citizens to seek redress through the legislative process," he declared, and vowed "to fight any such efforts too."

Lee's reactions and those of NRA officials and board members came against a backdrop of apparent increasing frustration

(Continued on page 140)

Dole ready to 'talk turkey' with NRA?

WASHINGTON—Sen. Robert Dole (R-Kan.) indicated at presstime that he would meet with NRA officials "at a date to be determined" to discuss the NRA board's new three-part amendment resolution on tip credit reporting, NRA sources said.

They said that Dole's office had been reticent about any such meeting "until hearing of the new resolution passed by the board, which shows that the NRA means business."

Other sources pointed out, however, that Dole can act only when the IRS reviews the estimated result of any amendments. "This could take many more months," it was noted.

The NRA has been studying the situation for many months and "feels that we would like to reach an accommodation if possible, but that we are prepared to fight all the way for the amended legislation we want," a high NRA official declared.

Grace unveils 2nd Gladstone's

By Richard Martin

NEWPORT BEACH, Calif.—Bob Morris, president of W. R. Grace's newest restaurant division, Mor Food 'N Fun, has opened the door on his second Gladstone's for Fish unit—complete with an old-fashioned candy kitchen, tanks of live seafood, and a piano player who stands on his head while performing.

"I'm super happy, happier than I've ever been in my life," Morris said, while supervising the completion of remodeling on the former Far West Services restaurant, the Gorda Liz, just days before the opening.

Late last month the Grace restaurant group, headed by executive vp Anwar Soliman, completed 10 months of negotiations with Morris to acquire Mor Food 'N Fun, which comprised the nine-year-old original Gladstone's, on the beach just north of Santa Monica, and RJ's The Rib Joint, in Beverly Hills.

Terms of the acquisition were not disclosed. Gladstone's, with annual sales of about $8 million, is considered Los Angeles's top grossing restaurant; RJ's was good for about $4 million in sales last year.

Morris and Grace have mapped an expansion program for the two concepts in southern California which calls for five more units—one every four months—over the next two years. A second unit of RJ's The Rib Joint is planned to open in another, as yet unselected, Far West property in Newport Beach by the end of the year. Morris has also thoughts of resurrecting The Original Jetty's, a $3-million-a-year beachfront operation he lost to fire in 1979.

Construction, setup and publicity of the new units will be handled by Morris, while operations will be directed by Mor

(Continued on page 140)

LATE NEWSBREAKS

Saga Corp. has cancelled plans to acquire Dallas-based privately held Chili's Hamburger restaurants after the two companies were unable to agree on specific terms. Saga still intends to complete its acquisition of the Dallas-based Grandy's Fried Chicken chain.

John Martin, Hardee's president for just a few months, replaces Terrance Collins as president of PepsiCo's Boulangerie bakery division. Jack Laughery, chairman and ceo of Hardee's parent Imasco U.S.A., temporarily reassumes the Hardee's presidency.

The Riese Organization was negotiating at presstime for New York franchise rights to Godfather's Pizza. The pact could give the 800-unit, Omaha-based chain a toehold in New York.

Pillsbury is acquiring the $115 million volume Haagen-Dazs ice cream stores for its consumer foods group.

FINANCIAL NEWS

Bob Evans restaurant div. profits climb 14% in fiscal '83

COLUMBUS, Ohio—Bob Evans Farms restaurant division profits rose 14% to $8.5 million on a 14% sales increase to $104 million for fiscal 1983 ended April 29.

In the fourth quarter, profits in the restaurant division rose 36% to $2.1 million on a 14% rise in sales to $25.5 million.

Bob Evans Farms Inc., which also is a wholesale producer and supplier of fresh sausage, reported that total profits rose 3% to $14 million on an 8% sales increase to $187.5 million in the fiscal year.

Company profits in the fourth quarter rose 30% to $3.6 million on an 8% rise in sales to $45.7 million.

During most of 1982, company profits were affected by softness in the sausage division caused by record high live hog prices. Sausage division profits for the year dropped 10% to $5.5 million on a 1% rise in sales to $83.8 million.

In the fourth quarter, sausage division profits rose 21% to $1.4 million; sales were relatively flat, however, at $20 million.

Bob Evans Farms restaurant division operates 93 family restaurants in Ohio, Michigan, Indiana, Kentucky, West Virginia, Pennsylvania, and Illinois. At the start of 1982's fourth quarter, the company had 77 restaurants.

The company plans to open about 14 restaurants in the current fiscal year. Its strategy has been to expand its sausage distribution into new areas and establish brand name awareness before opening restaurants.

Most of the restaurants scheduled to open this year will be in established market areas, primarily suburban Chicago and the Pittsburgh area.

Caesar's World posts $14.3 million net loss in 3rd qtr.

LOS ANGELES—Caesars World Inc. posted a net loss of $14.3 million in the third quarter ended April 30. In last year's third quarter, the company earned net profits of $1.2 million.

Revenues edged up 1.7% to $133.8 million from $131.6.

The company cited the impact of a provision for additonal reserves of about $15 milion for some past-due casino account receivables in explaining the setback. The company also said lower earnings at Caesar's New Jersey Inc., an 86%-owned subsidiary that operates Caesars Boardwalk in Atlantic City affected its results.

Food-service chain stock analysis table

Name	Symbol	STOCK PRICE: Two Weeks Ended June 3 High	Low	Close	Change Amt.	Change Pct.	52-Week High	52-Week Low	TREND TO MARKET: Price Trend (% per day) Last 30 Days	Price Trend (% per day) Last 5 Days	Volume Trend (% per day) Last 30 Days	Volume Trend (% per day) Last 5 Days	EARNINGS/SHARE: Last Fiscal Year	Latest 12 Months vs Preceding 12 Months Change Amt.	Change Pct.	5-Year Annual Growth Rate	Profit Margin	P/E: Latest P/E Ratio	DIVIDENDS: Indicated Dvd. Rate Amt.	Indicated Dvd. Rate Yield	Last X-Dvd. Date	FINANCIAL POSITION: Last Fiscal Year Revenue	Last Fiscal Year Earnings	Current Ratio	Last Fiscal Year (Per Share) Long Term Debt	Last Fiscal Year (Per Share) Common Stock Equity	Last Balance Sheet Date
—	—	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	—	$	%	—	$ Mil.	$ Mil.	—	$	$	—
Acapulco Y Los	ALAR	6.50	6.13	6.50	.38	6.12	7.88	3.75	.10	-.10	-2.04	-17.43	.05	-.09 Q	-42.8	-29.0	.3	54.2	.00	.0	01-06-81	37.1	.1	1.4	6.13	2.99	1082
Am Motor Inns	INN	37.00	34.38	35.88	.38	1.06	37.00	15.88	.16	.58	-3.42	11.76	2.10	.45 S	24.8	28.0	7.0	15.9	.25	.7	01-26-83	161.4	11.3	1.6	15.08	13.00	0782
ARA Services	ARA	54.63	51.50	54.00	2.00	3.85	54.63	25.25	.41	.34	.75	25.84	3.43	-.30 S	-7.8	-7.0	1.4	15.3	2.05	3.8	05-26-83	2805.6	38.9	1.1	22.39	44.25	0982
Assoc Hosts	AHST	24.75	22.00	24.00	-.75	-3.03	25.00	5.00	-.29	1.04	-1.12	-5.56	.58	-.12 S	-16.6	-15.0	2.2	40.0	.18	.8	05-31-83	78.6	1.7	1.6	6.60	7.58	0982
Beefsteak Char	BCS	8.88	8.13	8.50	.25	3.03	9.75	4.50	.29	-.34	-2.22	9.71	.88	.17 Q	26.1	38.0	3.7	10.4	.00	.0	00-00-00	97.1	3.6	1.3	5.92	4.23	1082
Bob Evans Farms	BOBE	29.00	25.25	29.00	3.25	12.62	29.06	14.66	-.15	1.79	.91	-10.69	1.11	.02 F	1.8	21.0	7.5	26.1	.30	1.0	05-09-83	187.5	14.1	1.7	.00	5.17	0482
Bonanza Intl Inc	BNZA	5.00	4.38	4.75	.38	8.57	5.00	1.50	.37	-1.26	.33	-54.62	.11	.17 Q	NC	-81.0	3.1	27.9	.00	.0	00-00-00	16.1	.5	1.6	9.70	1.67	1282
Brock Hotel Cp	BHC	10.88	9.75	10.63	.50	4.94	16.00	7.50	.44	.27	-.86	23.15	.39	-.31 Q	-52.5	-4.0	2.0	37.9	.10	.9	03-15-83	259.8	5.1	1.2	11.01	3.90	1281
Calny Food	CLNY	16.50	14.00	16.50	1.50	10.00	17.25	5.16	-.01	4.09	3.39	51.53	.80	.06 F	8.1	7.0	4.6	20.6	.20	1.2	04-28-83	30.2	1.4	.6	1.01	1.51	0282
Captain Crabs	CRAB	4.13	3.88	4.00	-.13	-3.03	4.13	1.00	.22	-.08	-.15	-15.27	.00	.00 S	NC	NC	.0	NE	.00	.0	00-00-00	.9	.0	7.0	.04	.22	0882
Carrols Develop	CRL	14.00	12.38	12.50	-1.38	-9.91	14.00	3.34	.59	-.93	-1.57	34.79	.44	.40 N	93.0	22.0	1.9	15.1	.07	.6	02-02-83	68.6	1.3	.6	6.55	4.00	0582
Chart House	CHHO	35.25	31.00	35.25	3.25	10.16	35.25	17.25	.62	.22	.06	-15.32	2.08	.05 Q	2.4	13.0	4.9	16.9	.60	1.7	03-17-83	382.0	18.7	.9	14.53	10.14	1281
Chi-Chis	CHIC	35.75	30.50	34.00	2.75	8.80	35.75	8.75	1.35	-.61	-2.10	-21.48	.55	.34 N	82.9	26.0	11.7	45.3	.00	.0	12-20-82	38.6	4.5	3.0	2.18	2.26	0482
Ch Full O Nut	CHF	21.00	17.38	21.00	3.63	20.86	21.00	12.00	.41	2.21	6.35	.60	.34	-.07 S	-14.5	-11.0	1.4	51.2	.40	1.9	12-09-82	115.8	1.6	3.1	.43	5.97	0782
Churchs Fr Ch	CHU	28.63	25.75	27.25	.75	2.83	29.50	16.69	-.17	-.39	-3.30	-20.63	2.19	-.11 Q	-4.7	9.0	10.1	12.3	.72	2.6	05-20-83	413.1	41.6	1.8	.62	11.74	1282
Cindys Inc	CNDYC	4.00	3.38	3.88	.50	14.81	4.00	2.63	.72	.25	2.88	-23.79	.13	.19 F	NE	NE	2.1	29.8	.00	.0	00-00-00	14.3	.3	.0	4.63	.43	1282
Collins Foods	CF	29.75	27.75	28.25	-1.00	-3.42	29.75	10.88	.47	-1.28	-6.50	-25.18	1.69	.53 N	33.3	16.0	3.2	13.3	.24	.8	03-25-83	298.0	9.6	1.3	7.44	10.69	0482
Consul Corp	CNSL	18.75	16.00	18.50	1.38	8.03	18.75	5.88	1.14	-.33	2.62	-50.88	.00	.16 N	400.0	NE	.0	92.5	.00	.0	00-00-00	17.6	.0	.7	2.21	2.88	0582
Cracker Barrel	CBRL	38.75	31.00	38.75	7.25	23.02	38.75	9.25	.81	3.08	1.80	-3.04	1.03	.32 N	32.6	20.0	3.7	29.8	.00	.0	00-00-00	35.4	1.3	1.9	5.35	6.69	0782
Dennys Inc	DEN	35.25	32.75	34.00	.63	1.87	36.88	22.38	-.23	-.59	-2.41	3.81	2.47	.26 N	11.1	9.0	3.9	13.1	.64	1.9	06-06-83	955.7	36.8	1.4	15.81	15.02	0682
Dunkin Donuts	DUNK	25.13	23.75	25.13	.88	3.61	25.13	9.91	.65	.03	-2.25	-9.71	1.40	.21 S	16.0	18.0	9.4	16.5	.24	1.0	05-02-83	71.3	6.7	1.2	12.87	15.97	1082
Frischs	FRS	18.38	18.00	18.25	.25	1.39	18.50	7.94	.20	.35	-1.26	-8.97	1.80	-.27 N	-15.0	12.0	3.8	12.0	.40	2.2	03-29-83	101.0	3.8	1.5	6.23	13.58	0582
Godfathers Pizza	GFPZ	23.75	22.75	22.75	-.75	-3.19	25.50	9.63	-.37	-1.16	-1.57	2.05	.65	.01 Q	1.5	104.0	15.8	35.5	.00	.0	00-00-00	37.9	6.0	2.1	.55	1.99	1282
Hambrg Hamlet	HAMB	10.50	10.50	10.50	.00	.00	11.25	5.50	-.44	-.03	-6.24	.00	1.35	.54 N	93.1	-8.0	3.2	9.4	.00	.0	00-00-00	31.6	1.0	.7	20.45	13.07	0382
Hardwicke	HAWK	1.63	1.63	1.63	.00	.00	2.00	.88	-.03	-.20	2.69	.00	-12.59	-10.09 F	NE	-69.0	-89.4	NE	.00	.0	00-00-00	27.4	-24.5	.3	12.03	-4.31	0982
Hilton Hotels	HLT	60.25	55.00	57.50	1.88	3.37	60.25	27.63	.51	-.26	-5.55	12.09	3.04	-1.10 Q	-27.9	.0	14.4	20.2	1.80	3.1	05-27-83	562.9	81.3	2.0	6.73	21.31	1282
Holiday Inns	HIA	49.75	46.38	49.25	.88	1.81	51.25	24.50	.17	.33	-.28	6.74	2.50	-.16 Q	-6.4	8.0	6.8	18.9	.84	1.7	03-14-83	1425.3	97.2	.9	11.74	25.35	1282
Holiday Inns A	HIA A	73.00	71.50	71.50	.50	.70	73.00	38.50	.36	-.20	4.06	-50.00	NA	NA	NA	NA	NA	NA	.00	.0	00-00-00	NA	NA	NA	NA	NA	NA
Horn & Hardart	HOR	40.75	36.50	40.75	3.25	8.67	40.75	13.06	.97	.92	1.42	45.49	1.14	.37 Q	40.2	39.0	2.8	31.6	.00	.0	09-27-82	235.4	6.6	1.7	11.45	6.30	1281
Hungry Tiger	HTIG	10.50	9.50	10.00	.50	5.26	12.25	4.84	.08	-1.07	.67	-35.65	.78	-.07 S	-9.4	7.0	3.8	14.9	.00	.0	11-15-82	55.9	2.1	.6	4.91	5.57	0882
Imperial Grp	IMT	1.94	1.75	1.94	.13	6.90	2.06	1.50	.07	-.17	-2.08	-44.15	.24	.00 Q	.0	-7.0	2.0	8.1	.12	6.2	04-12-83	8462.9	171.0	1.1	.65	2.08	1081
Intl Dairy Queen	INDQ	38.50	33.00	36.50	3.50	10.61	38.50	11.50	.90	-.20	3.13	11.73	2.17	.60 Q	35.5	30.0	6.3	15.9	.00	.0	00-00-00	98.6	6.2	1.1	11.23	6.32	1182
Int King Tab	IKNG	25.13	22.00	24.88	1.88	8.15	25.13	3.00	.08	-.26	-1.34	-32.99	.33	.98 N	515.7	20.0	1.4	21.3	.00	.0	10-09-79	36.6	.5	.3	4.09	3.77	0682
JBs Rest	JBBB	17.63	16.88	17.00	-.38	-2.16	18.00	5.75	.46	-1.09	-.69	-2.13	.93	.27 S	37.5	13.0	3.5	17.2	.16	.9	05-09-83	45.1	1.6	.9	6.38	5.84	0982
Jerrico Inc	JERR	23.13	21.75	22.13	-.63	-2.75	23.50	12.69	.69	-.85	-.36	21.74	1.40	-.11 N	-7.5	21.0	5.1	16.5	.12	.5	05-09-83	425.5	21.8	.9	2.91	8.99	0682
Kapok Tr Inns	KTI	7.13	6.75	6.88	-.25	-3.51	7.13	3.00	.07	-.84	-1.29	-9.18	-.37	-.17 S	NE	-46.0	-6.1	NE	.00	.0	00-00-00	11.4	-.7	2.5	1.36	5.45	0982
Kelly-Johnston	KEJO	18.13	16.63	17.63	.50	2.92	24.50	10.34	.78	-.84	1.68	-19.35	.59	.26 N	72.2	98.0	8.4	28.4	.00	.0	10-13-82	17.9	1.5	.9	.89	4.40	0382
Karcher Carl	CARL	29.75	28.75	29.00	-.50	-1.69	29.75	9.50	.57	-.28	-1.52	8.49	1.21	1.43 N	NC	17.0	3.4	20.3	.00	.0	02-16-83	200.6	6.9	1.9	5.15	6.67	0182
Lubys Cafe	LUB	30.88	29.88	30.13	.00	.00	32.59	20.50	.09	-.65	-9.20	1.74	1.35	.18 S	14.4	20.0	9.1	21.1	.48	1.6	06-06-83	127.3	11.6	1.9	.64	6.79	0882
Marcus Corp	MRCS	15.13	12.75	14.75	2.38	19.19	15.13	5.88	.97	.81	1.71	-6.42	1.13	.06 N	5.1	4.0	5.7	12.1	.00	.0	08-24-81	103.8	5.9	.8	2.98	9.76	0582
Marriott Corp	MHS	72.88	70.00	71.25	-.50	-.70	73.00	32.00	.13	-.24	-2.07	-14.72	3.44	.38 Q	11.8	24.0	3.7	19.8	.36	.5	03-21-83	2541.4	94.3	.9	33.49	19.43	1282
McDonalds Cp	MCD	66.50	61.75	62.00	-1.75	-2.75	74.50	44.69	-.53	-.59	-1.80	19.94	5.00	.65 Q	14.5	17.0	10.9	12.1	1.00	1.6	05-24-83	2769.5	300.6	.5	15.35	22.73	1281
Morrison Inc	MORR	18.25	17.13	17.63	-.25	-1.40	20.13	9.75	-.07	-.26	.65	47.06	1.16	.31 N	29.5	9.0	4.1	13.0	.40	2.3	04-11-83	364.3	15.1	1.4	2.95	7.90	0582
Mr Steak	MSST	10.50	8.75	10.50	1.63	18.31	10.50	1.75	.85	3.05	1.37	22.96	-.98	-.42 S	NE	-38.0	-2.7	NE	.00	.0	05-29-80	59.8	-1.6	1.1	4.26	3.76	0982
Nathans	NATH	2.63	1.88	2.63	.75	40.00	2.63	.72	-.13	8.20	-.30	57.70	.03	.80 N	NE	NE	.6	26.3	.00	.0	09-09-82	16.7	.1	.5	.10	1.73	0382
Naugles	NAUG	30.75	29.50	30.75	1.00	3.36	30.75	8.53	.50	.42	-4.44	11.19	.78	.88 N	NC	48.0	3.9	34.9	.00	.0	11-01-82	55.8	2.2	.4	8.04	2.73	0682
Oakbrook Cons	OKCO	15.00	15.00	15.00	.00	.00	18.50	9.00	-.89	-.02	1.10	.00	.69	-1.12 S	-82.9	-29.0	.4	65.2	.32	2.1	03-14-83	143.6	.6	.6	3.82	13.85	0982
Orange-co	OJ	7.13	6.00	6.38	-.50	-7.27	7.88	4.38	.89	-.96	-.64	-29.21	-.25	-1.94 S	-192.0	-28.0	-.8	NE	.00	.0	02-22-82	74.0	-.6	1.3	13.28	4.63	0882
Peoples Rest	PEPL	12.00	10.38	10.75	-.25	-2.27	12.00	5.25	.44	-2.23	-1.35	-28.94	.19	.20 N	NC	81.0	13.8	53.8	.00	.0	00-00-00	5.8	.8	.5	.75	2.39	0682
Piccadilly Caf	PICC	16.88	16.75	16.75	.00	.00	18.13	13.50	-.17	-.19	-2.46	-25.00	1.39	-.36 N	-25.0	9.0	5.9	15.5	.60	3.6	06-09-83	142.6	8.4	1.9	.00	7.29	0682
Pizza Inn	PZA	14.00	12.50	13.38	.13	.94	14.00	4.50	.31	.12	-1.14	-13.35	.61	.24 Q	43.6	5.0	1.3	16.9	.02	.1	04-11-83	135.1	1.7	.9	13.55	7.29	1282
Pizza Time Thea	CHKY	26.00	22.50	25.00	1.50	6.38	31.50	14.25	1.21	-.84	.12	-51.21	1.27	.33 Q	40.2	29.0	7.6	21.7	.00	.0	00-00-00	99.3	7.5	1.2	5.53	9.23	1282
Ponderosa Sys	PON	25.25	23.00	23.13	-1.38	-5.61	25.25	9.59	.52	-1.54	1.42	64.34	1.50	.18 F	13.6	-6.0	2.8	15.4	.33	1.4	06-08-83	376.7	10.4	.8	8.03	12.43	0283
Ramada Inns	RAM	10.50	8.88	9.75	.25	2.63	10.50	4.25	.78	.43	5.89	-9.55	-.73	-.69 Q	NE	-44.0	-3.6	NE	.00	.0	10-19-81	548.3	-19.8	.6	18.98	6.03	1281
Restaur Assc	RA	10.38	9.25	10.38	.88	9.21	11.38	3.25	.49	1.58	-4.87	24.07	.77	-.06 Q	-8.2	22.0	1.8	15.5	.00	.0	00-00-00	104.8	1.9	1.0	3.98	7.15	1282
Ryans Fam Steak	RYAN	19.50	17.50	18.25	-1.75	-8.75	22.25	3.09	-.30	-.89	-2.28	1.77	.33	.36 Q	NC	68.0	10.6	50.7	.00	.0	04-20-83	9.4	1.0	3.1	.34	1.61	1282
Saga Corp	SGA	35.50	31.06	33.75	2.69	8.65	35.50	11.94	.64	.62	-3.22	34.45	1.68	.49 N	30.4	41.0	1.9	16.1	.36	1.1	06-02-83	901.0	16.8	.9	4.26	8.86	0682
Sandwich Chef	SHEF	14.75	14.50	14.50	.00	.00	15.50	11.50	-.37	-.09	1.81	22.27	.77	.75 N	NC	24.0	4.7	19.3	.00	.0	00-00-00	17.0	.8	.6	.50	3.42	0682
Sea Galley	SEAG	12.25	9.75	12.25	2.38	24.05	12.25	5.50	.98	4.56	9.21	42.39	.02	-.91 Q	-135.8	-33.0	.1	NE	.00	.0	06-02-81	70.1	.1	1.8	2.38	4.99	1281
Servico Inc	SRVI	17.50	16.75	17.25	-.75	-4.17	18.50	7.03	.41	.08	.44	-13.57	.74	-.79 F	-51.6	42.0	1.5	23.3	.00	.0	07-09-82	139.1	2.1	1.1	50.99	5.46	1281
Shoneys Inc	SHON	25.50	24.25	25.00	.00	.00	27.38	12.66	-.01	-.60	-3.59	24.09	.86	.18 Q	24.3	19.0	5.1	27.2	.15	.6	03-11-83	324.9	16.6	1.0	2.65	5.02	1082
Skippers	SKIP	15.00	13.50	13.50	.00	.00	15.00	3.16	1.45	-2.32	6.59	-16.95	.48	.27 Q	67.5	14.0	2.6	20.1	.08	.6	03-31-83	38.1	1.0	.5	3.38	6.69	1282
Sonesta Hotel	SNSTZ	16.00	16.00	16.00	.00	.00	16.50	10.00	.04	-.08	7.13	16.67	.28	.64 Q	NE	-12.0	.9	26.7	.20	1.3	06-13-83	80.1	.7	1.1	26.22	9.51	1282
So Hospitality	SHOS	5.50	5.00	5.00	-.50	-9.09	6.25	1.38	.08	-1.45	-2.09	17.24	.14	.21 N	NC	25.0	2.5	23.8	.00	.0	00-00-00	20.3	.5	1.0	2.29	-.20	0582
Steak n Shake	STAK	7.88	7.38	7.88	1.13	16.67	7.88	2.63	.95	.25	3.14	-15.18	.18	.16 Q	400.0	38.0	1.4	39.4	.00	.0	05-17-79	57.2	.8	1.2	4.60	2.60	0981
Victoria Stations	VSTA	11.88	8.75	11.38	2.50	28.17	11.88	5.00	.86	-.67	8.43	-52.39	.35	-1.05 N	-875.0	-41.0	1.0	NE	.00	.0	09-19-79	123.4	1.2	1.0	7.67	10.49	0382
Wendys Intl	WEN	19.00	17.50	18.75	1.00	5.63	19.63	9.59	-.08	-.29	.24	-31.91	1.13	.16 Q	15.8	13.0	7.3	16.0	.24	1.3	04-29-83	607.6	44.1	.6	2.56	5.27	1281
Webb Del E	WBB	20.13	17.00	20.00	1.50	8.11	20.13	5.88	.95	3.63	3.10	22.00	.16	-.80 Q	-129.0	-25.0	.5	NE	.00	.0	11-07-80	311.2	1.5	.9	11.32	13.71	1282
Western Steer	WSMP	16.50	15.25	16.50	1.50	10.00	17.50	8.00	-.10	.39	-5.70	.00	.92	.92 F	NC	6.0	3.1	17.9	.12	.7	04-11-83	28.8	.9	1.3	6.97	6.29	0282
Winners Cp	WNER	16.00	14.88	16.00	1.00	6.67	16.00	6.94	.66	1.21	2.98	16.67	.63	.07 Q	12.0	8.0	2.6	24.6	.00	.0	03-10-83	83.1	2.2	.5	7.06	6.43	1282

KEY: NA—Not Applicable NC—Not Calculable NE—Negative Earnings Q-First Quarter S-Six months N-Nine months F-Fiscal year
**—Other than a quarterly multiple resulting from a fiscal year change.*

Data and Table Provided by Media General Financial Services, Inc., Richmond, VA 23261

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FINANCIAL NEWS

Chock Full o'Nuts net profit down 27%

NEW YORK—Chock Full o'Nuts, which operates more than 20 low-priced restaurants and is one of the nation's largest coffee producers, posted a 27% decline in net profits to $953,000 for the third quarter ended April 30, compared to the year-ago quarter.

Sales increased 16% to $32.7 million from last year's quarter to this year's quarter.

Nine-month results showed a 27% fall off in net profits to $4 million and an 11% gain to $96.4 million in sales.

The company, which derives 86% of its revenues from its coffee marketing business, said recently that it had sold eight Beef Corral restaurants in the Cleveland area.

Rax profit rises 53% as turnaround continues

COLUMBUS, Ohio—Rax Restaurants posted a 53% net profit increase to $318,000 in the third quarter ended March 31, compared to the year-ago period, continuing the chain's turnaround.

Revenue at the 225-unit franchised fast-food chain gained 31% to $14.4 million year to year, the company said.

For the nine-month period, Rax reported net profits of $1.3 million, a 414% boost over the $253,000 recorded in 1982. Nine-month revenues increased 32% to $43.8 million from the year before.

Rax began publicly reporting its financial results earlier this year when it raised $4.7 million in an imaginative subordinated debenture offering.

Esteban's posts $505,670 loss

MINNEAPOLIS—Esteban's Mexican Foods, an 8-unit chain of Mexican dinnerhouses, posted net losses of $505,670 for the year ended Dec. 25, compared to a $30,613 net loss in 1981.

Revenues at the company, which also runs a foodstuffs marketing business that accounts for 19% of sales, increased 31% to $6.9 million from the year before.

Fourth quarter losses were $212,587, compared to $102,805 the year before, on revenues of $2 million, a 63% rise from the prior-year period.

Restaurant sales, despite the opening of the seventh company-operated unit, slipped below 1981 levels.

EARNINGS REPORT

Company	Period	Period Ended	Total Sales*	% Change	Revenues*†	% Change	Net Income (Loss)*	% Change
Pizza Time Theatre	3 mos.	3/24			$ 34.8	103.0	$ 0.942	(40.0)
JB Restaurants	3 mos.	3/13	$ 11.6	22.0			0.287	76.0
	6 mos.		22.8	20.0			0.673	38.0
Marcus Corp.	3 mos.		22.8	12.3			0.755	97.0
	9 mos.		76.1	5.1			4.700	8.3
Esteban's Mex. Foods.	3 mos.	12/25			2.0	63.0	(0.213)	—
	12 mos.				6.9	31.0	(0.506)	—
Rax Restaurants	3 mos.	3/31			14.4	31.0	0.318	53.0
	9 mos.				43.8	32.0	1.300	414.0
Chock Full o'Nuts	3 mos.	4/30	32.7	16.0			0.953	(27.0)
	9 mos.		96.4	11.0			4.000	(27.0)
Caesars World	3 mos.	4/30			133.8	1.7	(14.300)	—
Bob Evans Farms Restaurants	12 mos.	4/29	104.0	14.0			8.500	14.0
	3 mos.		25.5	14.0			2.100	36.0

Source: *Company earnings reports*

—loss in corresponding period
**In millions*
†In cases where companies do not break out their total sales for all units, revenues are indicated instead. These generally consist of company-owned restaurant sales, franchise fees and rental incomes, royalties and operating income, as well as other miscellaneous incomes, such as interest income and gains on real estate and construction.

JB net profit increases 76% in quarter

SALT LAKE CITY—JB Restaurants disclosed net profit for the quarter ended March 13 increased 76% over the same period last year to $287,151.

Revenues for the quarter increased 22% to $11,551,548.

For the first two quarters of this fiscal year, compared to the same period in 1982, net profit rose 38% to $673,157 and sales increased 20% to $22,826,701.

Clark D. Jones, president and chief executive officer, attributed the increased sales to introduction of the fruit bar and breakfast buffets in the Big Boy division and to a remodeling program.

Increased profits, he said, "reflect lower food costs and increased productivity brought about by our renewed emphasis on labor control."

JB's operated 70 restaurants at quarter's end.

More appearances at Security Analysts

NEW YORK—Appearances by food-service chain executives at the prestigious New York Society of Security Analysts have been relatively rare the past couple of years . . . perhaps five such appearances have taken place each year.

But whatever was keeping the chains away from this group, or whatever was making the group hesitate to invite them, must have suddenly dissipated. Within six days this month, executives of three food-service chains spoke before the group—Carrols Development Corp. (an upstate New York Burger King franchisee), June 9; Seattle-based Sea Galley Stores, June 10, and Dunkin' Donuts June 15.

Private dining rooms: fine-dining profit centers

By Ken Frydman

NEW YORK—Private dining rooms have become heavily trafficked profit centers in fine dining restaurants from coast to coast.

New York, Chicago and southern California fine dining places lead the way in popular private dining rooms. Two of New York's better known are the Four Seasons and the 500-seat Hudson River and Ballroom Suites on the 106th and 107th floors of the World Trade Center's Windows on the World. In Chicago, Ambria and the 95th Restaurant contain busy private dining areas, while in California, the Sardine Factory has popularized the concept with its two private dining rooms.

Spokesmen for the restaurants claim that the private dining rooms have increased overall sales volume and wine and liquor sales in their respective operations.

At Ambria, a 1983 Nation's Restaurant News Fine Dining Hall of Fame winner, co-owner/chef Gabino Sotelino is grossing approximately 5% of total sales volume from his private, 24-seat dining room. "The main advantage of our private dining room is that the customer can have the menu, including the special of the day, selected for him," said Sotelino.

"We've been doing between $2,000 and $3,000 sales volume weekly in the private dining room," said Sotelino, whose restaurant specializes in French, Italian and American nouvelle cuisine. Wine sales account for 30% to 35% of Ambria's private room liquor sales.

Combined weekly sales for The Sardine Factory's Conservatory (above) and The Wine Cellar go as high as $40,000.

Chicago's newest private dining room is located in the 95th Restaurant, high atop the John Hancock Building. The glass-enclosed, 40-seat area is divided into two rooms known as Pokal I and Pokal II.

The restaurant offers its private room patrons complimentary hors d'oeuvres, three wines and a five- to six-course dinner between $58 and $73. The rooms were booked for dinner almost every day in May and were reserved 10 of the first 15 days in June.

"The major advantage of our Pokal I and Pokal II rooms is that diners can book a small, private party without paying a room penalty," said Mel Baggs, director of catering for Davre's, the operator of the 95th.

One of California's most popular white tablecloth spots is Ted Balestreri's Sardine Factory in Monterey, a 1981 NRN Fine Dining Hall of Famer. And two of the restaurant's most well-received features are the private Conservatory and downstairs Wine Cellar dining rooms, which together generate half of the restaurant's sales volume.

The two rooms' combined weekly sales volume is estimated at between $35,000 and $40,000. The Sardine Factory seats a total 250 patrons; the Conservatory's maximum seating is 90, while the Wine Cellar can seat 26. Wine sales in the two rooms is estimated at between 55% and 60% of total liquor sales.

The Conservatory is dominated by a huge glass dome, bulb chandelier and a center fountain. Dinner reservations are normally necessary seven nights a week as both rooms are regularly booked well in advance. Conservatory diners order from the standard continental, seafood menu, not a set banquet menu.

The Sardine Factory's Wine Cellar is designed in woodwork fixtures and late 1800 and early 1900 antiques. Private party guests receive the white glove and tails, china and silver treatment from a special staff of waiters and waitresses. The six- to seven-course meal check averages $40, while the room can be reserved for $100 and up.

And then, there is New York City's famed Four Seasons, which also earned NRN Hall of Fame status in 1981. The 500-seat restaurant's five dining rooms alternately serve as reserved rooms for lunch, dinner or cocktail receptions.

"We can accommodate up to 100 patrons for lunch or dinner and 175 for cocktail receptions in our private dining rooms," said restaurant manager Alex von Bidder. We generate 10% of our total sales volume from the private dining rooms."

The Four Seasons has been booked through the end of 1984, at different times, seven days a week. Like the Sardine Factory's Conservatory, the Four Seasons allows private dining room patrons to choose from the standard menus, not a set banquet menu.